

Center for Biological Diversity, et. al.

v.

Doug Burgum, et. al.

Case No. 2:24-cv-05459-MWC-MAA

Exhibit 3

Sable Offshore
Corporation Lease Extension of
Santa Ynez Unit Finding of No
Significant Impact

FINDING OF NO SIGNIFICANT IMPACT

ExxonMobil/Sable Offshore Corporation Lease Extension of the Santa Ynez Unit Environmental Assessment

U.S. Department of Interior Bureau of Ocean Energy Management
Bureau of Safety and Environmental Enforcement

May 2025

Summary

In accordance with the National Environmental Policy Act (NEPA), 42 USC 4261, et seq., the Council on Environmental Quality regulations¹ at 40 CFR 1501, et seq., Department of the Interior (DOI) regulations implementing NEPA at 43 CFR Part 46, Bureau of Ocean Energy Management (BOEM) and Bureau of Safety and Environmental Enforcement (BSEE) policy, BOEM prepared an Environmental Assessment (EA) on Exxon Mobil Corporation's (ExxonMobil) October 19, 2023 request to extend the sixteen (16) leases that comprise the Santa Ynez Unit. The Santa Ynez Unit is in federal waters in the Santa Barbara Channel, Offshore Santa Barbara County, California in the Southern California Planning area.

BOEM prepared the EA to determine whether the Proposed Action may result in significant effects (40 CFR 1508.27), triggering additional mitigation to reduce such effects or the need to prepare an Environmental Impact Statement (EIS). The EA analyzes the potential for significant adverse effects from the Proposed Action on the human environment, which is interpreted comprehensively to include the natural and physical environment and the relationship of people with that environment (40 CFR 1508.13 and 1508.14). The EA was also prepared to assist with BOEM and BSEE planning and decision-making (40 CFR 1501.3b), namely, to help inform a determination as to whether the Proposed Action would cause undue or serious harm or damage to the human, marine, or coastal environment.

BSEE's review of the EA and supporting documents determined that the Proposed Action will not significantly affect the quality of the human environment within the meaning of Section 102(2)(c) of NEPA. Therefore, the preparation of an EIS is not required and BSEE issues this Finding of No Significant Impact (FONSI).

Public Availability

The Final EA and FONSI will be posted to the project website at: <https://www.bsee.gov/what-we-do/environmental-compliance/environmental-programs/nepa-compliance>

¹ Although rescinded by direction of Executive Order 14154, *Unleashing American Energy*, the bureaus voluntarily referenced CEQ's 2020 NEPA regulations to guide the development of the referenced Environmental Assessment (per guidance in the Council for Environmental Quality's February 19, 2025 Memorandum on *Implementation of the National Environmental Policy Act*). Reference to the Code of Federal Regulations is made only to assist the reader in understanding the prior statutory basis for the definitions and content structure found within this document.

Background

In June 2015, the Santa Ynez Unit (SYU) platforms were forced to shut-in when oil production stopped after an onshore pipeline spill. The pipeline is comprised of two segments, Line 901 and Line 903 (now renamed Line CA-324 and Line CA-325, respectively). Regulatory oversight of Line 901 and 903 was carried out by the Pipeline and Hazardous Materials Safety Administration (PHMSA), as both lines are classified as an onshore interstate transport pipeline under 49 U.S.C. 60101(7). In May 2016, PHMSA released its Final Investigation Report into the Plains Pipeline 901 incident, finding the cause of the spill was due to ineffective protection against corrosion of the pipeline.

On November 19, 2015, ExxonMobil submitted a request pursuant to 30 CFR 250.180(e) seeking more than 180 days to resume operations for SYU. Specifically, ExxonMobil sought 365 days of additional time to resume operations.² On December 10, 2015, BSEE approved the request after determining that ExxonMobil adequately established an operational basis for extending the terms of lease and the lease extension would benefit the National interest of the United States. BSEE granted subsequent extension requests on an annual basis, from 2016-2023, as ExxonMobil progressed towards restoring onshore transportation for SYU production. On October 19, 2023, the BSEE received a request from ExxonMobil, pursuant to 30 CFR 250.180(e), seeking additional time to resume operations on SYU.

On February 14, 2024, ExxonMobil completed the sale of the SYU assets, including the onshore Las Flores Canyon Facility (LFC) and related facilities to Sable Offshore Corporation (Sable). BOEM approved the operator designation for Sable on May 23, 2024.

Proposed Action

The Proposed Action evaluated in this EA is for BSEE to review and either approve or deny a lease extension request for leases in the SYU. The SYU had been in a state of preservation due to the 2015 onshore pipeline rupture. Per 30 CFR 250.180(e), ExxonMobil, predecessor to current operator, Sable, requested an additional 365 days to resume operations on the SYU leases that have continued beyond their primary term.

Evaluation of Alternatives

The EA considered three alternatives: 1) Alternative A (approval of the lease extension); 2) Alternative B (denial of the lease extension); and Alternative C (the No Action Alternative). BOEM considered the potential for impacts to the following resource areas: 1) greenhouse gas (GHG) lifecycle emissions; 2) air quality; 3) benthic resources; 4) fishes and essential fish habitat; 5) marine mammals and sea turtles; 6) marine and coastal birds; 7) threatened and endangered species; and 8) commercial fishing; 9) water quality; and 10) marine protected areas, sanctuaries, and reserves.

Summary of Impacts

The EA describes the affected environment within the vicinity of the SYU and associated OCS infrastructure, and the potential environmental impacts of the proposed action. The EA considered potential environmental impacts of extending a lease beyond its primary term, including returning to production activities. Anticipated impacts of the Proposed Action are summarized below. The detailed

² For these purposes, “operations” means “drilling, well-reworking, or production in paying quantities.” 30 CFR 250.180(a)(2).

analysis is contained within the EA and its supporting appendices.

Accidental Oil Spills: BOEM's oil spill risk analysis concluded that a catastrophic oil spill event is not reasonably foreseeable to occur on the Pacific OCS. The EA evaluated the potential impacts of small spills (50 bbl or less), an *indirect* effect of the proposed action, on benthic resources; fishes and essential fish habitat; marine mammals and sea turtles; and coastal and marine birds and concluded that these small spills would not significantly impact these resources. These small spills would be minimal compared to the oil output from the natural oil seeps in the Santa Barbara Channel (assumed to be 100 bbl daily based on scientific studies).

Air quality: Resuming production on the SYU facilities will result in emissions of criteria pollutants: nitrogen oxides, carbon monoxides, sulfur oxides, particulate matter, reactive organic gases, and greenhouse gases from various operational activities (e.g., use of combustion engines, flaring operations, fugitive emissions, pigging, pipeline operations, tank and process operations, etc.). Santa Barbara County Air Pollution Control District regulates these emissions through Permits to Operate (Platform Hondo (#9100), Platform Harmony (#9101), and Platform Heritage (#9102)), which establish limits for allowable emissions and requirements and requires each platform to offset operational net emission increases for criteria pollutants (excluding GHG). The EA concluded that projected air emissions from production at the SYU facilities are expected to be short term, to disperse quickly, and are not anticipated to exceed any Federal air quality standards. Accordingly, BSEE does not anticipate that resuming production at the SYU will result in public health impacts from resultant air emissions.

The greenhouse gas emissions from the SYU operations will come primarily from combustion engines from vessels and auxiliary equipment. Permitted annual carbon dioxide emissions from the project are 0.0774 million metric tons of carbon dioxide equivalent (MMTCO₂e), which represents 0.02% of the emissions from greenhouse gas emitting activities state-wide in 2022 (371.1 MMTCO₂e). The small annual contribution of greenhouse gas emissions from the SYU indicates that this project will not appreciably contribute to global climate emissions.

GHG lifecycle emissions: Carbon dioxide, methane, and nitrous oxide emissions were quantified during upstream, midstream, and downstream stages of the Proposed Action. The analysis concluded if SYU returns to production, the changes to the energy market will result in a small increase in GHG emissions.

Benthic resources: Bottom disturbing activities from resumption of production at the SYU facilities include pipeline repairs, vessel anchoring from service support vessels, and marine debris, which could have impacts to sensitive benthic resources within the SYU (e.g., soft and hard bottom habitats, federally listed endangered invertebrates). The EA indicates impacts from bottom disturbing activities to be temporary and local in nature and not impacting benthic resources. Placing vessel anchors an approved distance from identified benthic resources (based on survey data), or avoiding anchoring completely will minimize impacts to benthic resources.

Fishes and essential fish habitat: Resuming production at the SYU facilities may disturb managed fish species, including two federally listed as endangered fish species (i.e., west coast steelhead and tidewater goby), found within the SYU due to pipeline repairs, vessels, artificial light, and marine debris. Impacts from these activities are expected to be local, difficult to distinguish from background variability, and are not expected to detectably affect regional fish populations, including

Endangered Species Act (ESA)-listed species, or habitats, including Essential Fish Habitat.

Marine mammals and sea turtles: The activities involved with resumed production that are of primary concern to protected marine mammals (i.e., various whale species, Guadalupe fur seal) and sea turtles (i.e., leatherback, loggerhead) are mainly ongoing maintenance operations or operations that are temporary in nature (e.g., pipeline repairs, vessel transit activity). Overall, the environmental assessment findings suggest impacts to marine mammals and sea turtles resulting from these activities are not significant.

Marine and coastal birds: Artificial lighting and noise from resuming production could potentially affect marine and coastal birds. Impacts on birds from noise will be transitory, temporary, and localized. Lights on existing platforms have not been shown to significantly affect marine birds (over the last 40 years), and lighting from vessels will comply with USCG navigation light requirements.

Threatened and endangered species: Resuming production will result in activities that lead to vessel traffic, noise, artificial lighting, and bottom disturbance which may impact ESA listed species. Given the temporary and localized nature of impacts, they will likely be undetectable to ESA-listed fish and invertebrate species. ESA-listed marine birds are unlikely to occur within the SYU area. Finally, new or additional impacts to protected marine mammal and sea turtle species are not anticipated and will not significantly impact these species. Risks to marine mammals and sea turtles can be further minimized by consistency with “Reasonable and Prudent Measures,” “Terms and Conditions,” and “Conservation Recommendations” detailed in the 2024 ESA consultation Biological Opinion from the National Marine Fisheries Service (NMFS Consultation Number: 2023-02183).

Commercial fishing: Increases in vessel traffic, marine debris, preclusion from fishing grounds, and damaged fishing gear are the primary concerns related to commercial and recreational fisheries from resuming production. Impacts to fisheries (commercial and recreation) will be minimal due to the operator’s adherence to regulatory requirements for reducing marine debris and their communication with the Joint Oil-Fisheries Liaison Office.

Water quality: BOEM’s oil spill risk analysis concluded that a catastrophic oil spill event is not reasonably certain to occur on the Pacific OCS. The EA evaluated the potential impacts of small spills (50 bbl or less) on benthic resources; fishes and essential fish habitat; marine mammals and sea turtles; and coastal and marine birds and concluded that these small spills would not significantly impact these resources. Platform discharges are not anticipated to be detectable or to exceed permitted allowances. All produced water will be injected sub-seabed, so no produced water will discharge into the marine environment. Increased turbidity may occur from some activities associated with the Proposed Action, but would be temporary and short-term, and impacts on water quality would be limited and localized.

Marine protected areas: No SYU OCS infrastructure exists within the boundaries of any marine protected area. A SYU power cable and pipeline cross state waters inside the Chumash Heritage National Marine Sanctuary (CHNMS); however, BSEE does not regulate that section of the pipeline. The EA assumes that vessel operators and Sable adhere to the requirements of their discharge permits. Therefore, the EA found no impacts to marine protected areas from resumption of production at the SYU facility. If any OCS activity for the SYU has the potential to disturb the seabed within the sanctuary or to result in discharges that could enter and harm the sanctuary these

activities must comply with the sanctuary's implementing regulations and may require additional review and authorization by the CHNMS Director.

Mitigation

The EA indicates the Proposed Action will not significantly affect the quality of the environment. However, to further protect the environment from harm to the maximum extent practicable, BSEE determined a suite of standards should be imposed.

In 2024, BOEM and BSEE concluded an ESA Section 7 consultation with National Marine Fisheries Services (NMFS).³ The consultation identified terms and conditions necessary to minimize impacts to ESA-listed species. BOEM subsequently directed all operators to acknowledge and incorporate terms and conditions arising from this consultation. However, BSEE determined it is prudent to reemphasize these terms and conditions on the Proposed Action. Therefore, BSEE imposes the following ESA Section 7 terms and conditions as required mitigation:

Marine Mammals and Sea Turtles

- Collision Reporting (as soon as practicable): If an oil and gas vessel collision occurs with marine mammals or sea turtles, the Operator must report the collision to:
 - NMFS West Coast Region Marine Mammal and Sea Turtle Stranding Coordinator: Justin Viezbicke at (562) 980-3230 or justin.viezbicke@noaa.gov.
 - BSEE Pacific Regional Environmental Officer: James Salmons at (805) 384-6307 or james.salmons@bsee.gov
- Annual Reporting on vessel use, beginning immediately and for each calendar year, must be submitted by March 1 of the following year, to the BSEE Pacific Region Environmental Officer, including:
 - Routine/daily vessel activity: Hours of oil and gas vessel operation, by vessel type, including length of vessel.
 - Non-routine/additional vessel activity: Hours of oil and gas vessel operation, by vessel type, including length of vessel.

The EA identified Best Management Practices (BMPs) for implementation to help avoid or minimize impacts. Pursuant to 30 CFR 250.106(c), BSEE identified and adopts certain BMPs to impose as required mitigation:

General Compliance

- Within 30 days of issuance of BSEE's decision, Sable will submit to BSEE for approval an environmental compliance monitoring plan to monitor and track compliance with all environmental protection mitigation measures incorporated into this Project. Mitigation measures include those described in this analysis and any other conditions of the Project. Sable's plan will specify submittal dates to report progress to BSEE in ensuring operations were conducted in accordance with the approved plan and supporting information, noting any deviations.
- If Sable needs to make a change outside of the Project scope or if there is an emergency impact to biological resources, Sable must contact BSEE immediately.

³ "Endangered Species Act Section 7(a)(2) Biological and Conference Opinion: Development and Production of Oil and Gas Reserves and Beginning Stages of Decommissioning within the Southern California Planning Area of the Pacific Outer Continental Shelf Region" on February 27, 2024 (Biological Opinion; NMFS consultation #: 2023-02183)

Benthic Resources; and Fishes and Essential Fish Habitat

- Sable will avoid anchoring vessels during Project activities; or only place anchors an approved distance from benthic resources.
- Sable will keep a log for all materials lost overboard and report them to BSEE per regulations.

Marine Mammals and Sea Turtles

- Operator will use tools such as whalesafe.com (<https://oceantoday.noaa.gov/help-whales/>) or the Whale Alert app (<https://www.whalealert.org/>) or the Ocean Alert app to minimize potential vessel strike risks to marine mammals.
- Operator will provide marine mammal, sea bird, and commercial fishing awareness training to all personnel participating in the Project.
- All project-related vessels will comply with the Oil Service Vessel Traffic Corridors as shown on the appropriate NOAA charts.
- Protected species observers and/or trained crew members will be required to be on watch to observe for marine mammals and sea turtles on vessels transiting to and from or in the action area to warn vessel operators of any marine mammals or sea turtles to minimize the risk of vessel strikes.

Commercial Fishing

- Operator will consult with the Joint Oil/Fisheries Liaison Office (JOFLO) to minimize space-use conflicts associated with marine vessel traffic.
- Notice to Mariners: Sable will file an advisory with the local USCG District Office, with a copy to the Long Beach Office of the State Lands Commission for publication in the Local Notice to Mariners at least 15 days prior to commencement of offshore activities and will place a similar notification in all Santa Barbara Channel ports that support commercial fishing vessels prior to the commencement of Project activities.
- All project-related vessels will comply with the Oil Service Vessel Traffic Corridors as shown on the appropriate NOAA charts available from JOFLO.

Finding of No Significant Impact

BSEE determined, based on its review of the EA and supporting documents, that the Proposed Action will not significantly affect (40 CFR 1508.27) the quality of the human environment within the meaning of Section 102(2)(c) of the National Environmental Policy Act and results in a Finding of No Significant Impact (FONSI). Therefore, no further NEPA analysis or Environmental Impact Statement is required.

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May 28, 2025
Date